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New York

President: Mr. Eliasson ..... (Sweden)

The meeting was called to order at 11.20 a.m.

Agenda items 46 and 120 (*continued*)

Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields

Follow-up to the outcome of the Millennium Summit

Report of the Secretary-General (A/60/692)

The President: In accordance with paragraphs 163 (a) and (c) of General Assembly resolution 60/1, of 16 September 2005, the Assembly now has before it a report by the Secretary-General entitled "Investing in the United Nations: for a stronger Organization worldwide", which has been circulated in document A/60/692 and issued under agenda items 46 and 120. The report is now being distributed in the General Assembly Hall. I hope all members have received it.

In that context, I would like to draw the attention of members to a letter dated 3 March 2006 from the Permanent Representative of South Africa to the United Nations, which has been circulated as document A/60/707. I have duly taken note of the request made in that letter.

I welcome the Secretary-General to the General Assembly, and I invite him to address the Assembly and to brief it on the main elements contained in his report. I now give the floor to His Excellency Mr. Kofi Annan, Secretary-General of the United Nations.

The Secretary-General: The heads of State and Government — your heads of State and Government — in the outcome document of last year's world summit (resolution 60/1), addressed several requests to me, as Secretary-General, in the area of Secretariat and management reform. The analysis and recommendations to facilitate the Assembly's review of mandates, requested in paragraph 163 (b) of the outcome document, will be the subject of a separate report later this month.

The report now before the Assembly responds to two other requests: the one in paragraph 162 for proposals on the conditions and measures necessary for me to carry out my managerial responsibilities effectively, and the one in paragraph 163 (a) for an assessment and recommendations to help ensure that the United Nations budgetary, financial and human resource policies, regulations and rules respond to the current needs of the Organization and enable the efficient and effective conduct of its work.

I am particularly grateful for the opportunity to submit proposals for that purpose. Why? Because my assessment is — if I may put it bluntly in one sentence — that, in many respects, our present regulations and rules do not respond to the current needs, and that indeed, they make it very hard for the Organization to conduct its work efficiently or effectively. Some may find that difficult to believe

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after successive efforts at reform over the years, including two sets of proposals that I myself brought forward in 1997 and 2002, as well as the Brahimi report on United Nations peace operations in 2000 and the strengthening of our safety and security system in 2004.

Indeed, with the help of Member States, important changes have been made. I have no hesitation in saying that the Organization is more efficient and effective than it was 10 years ago. It delivers more than ever, even though the rules make it difficult, and has been found to be cost-effective compared to others engaged in similar activities. But the truth is that our current rules and regulations were designed for an essentially static Secretariat, whose main function was to service conferences and meetings of Member States and whose staff worked mainly at Headquarters. That is not the United Nations of today.

Today, thanks to the mandates that Member States have given us, we are engaged directly in many parts of the world, working on the ground to improve the lives of people who need help. More than 70 per cent of our $10 billion annual budget now relates to peacekeeping and other field operations, compared to about half of a budget less than half that size 10 years ago.

In the 16 years since the cold war ended, we have taken on more than twice as many new peacekeeping missions than in the previous 44 years. Spending on peacekeeping has quadrupled. Over half of our 30,000 civilian staff now serve in the field, not only in peacekeeping — which itself has expanded enormously and is now a far more diverse and complex assignment than it used to be — but also in tasks as varied as humanitarian relief, criminal justice, human rights monitoring and capacity-building, electoral assistance, and the battle against drugs and crime. The number of humanitarian field personnel has increased eightfold, human rights work at the country level has grown dramatically, and we have been called on to support over 100 national elections.

Those increasingly complex mandates require staff with different skills. We need to be able to recruit and retain leaders, managers and personnel capable of handling large multidisciplinary operations with increasingly high budgets.

As things stand, many of our staff — especially the field staff, who serve with great idealism and integrity, often in situations of hardship and danger — are demoralized and demotivated by lack of opportunities for promotion and by the frustrations of dealing with a bureaucracy that can seem both excessive and remote.

Against the odds, our dedicated staff have delivered much more each year, but our management system does not do justice to them. It is not equipped to handle multi-billion-dollar global operations, which must often be deployed at great speed. Both staff and Member States deserve better.

The earlier reforms addressed the symptoms, more than the causes, of our shortcomings. It is now time to reach for deeper, more fundamental change. What is needed, and what we now have a precious opportunity to undertake, is a radical overhaul of the entire Secretariat — its rules, its structure, its systems — to bring it more in line with today's realities and enable it to perform the new kinds of operations that Member States now ask and expect of it.

Just as this building, after 56 years of ad hoc repair and maintenance, now needs to be fully refurbished from top to bottom, so our Organization, after decades of piecemeal reform, now needs a thorough strategic refit — one that can be achieved only if there is a sustained commitment to seeing it through at all levels of leadership.

Let me here acknowledge the invaluable work done by the Deputy Secretary-General in organizing the preparation of the report before the Assembly, which aims to be the blueprint of that comprehensive reform. I am deeply grateful to her, and also to Rajat Gupta, my special adviser for management reform, for giving us the benefit of his great wisdom and experience.

The report contains proposals in seven main areas, starting with people — that is, the way we recruit, manage and motivate the men and women entrusted with carrying out Members' mandates.

From there it goes on to leadership, where it sets out the changes I believe are needed in the structure of the top management of the Secretariat to enable the Secretary-General to exercise effective authority.

Thirdly, it deals with information and communications technology, where a major investment is required to enable all the different parts of the

Organization to communicate efficiently with each other and retrieve information quickly when needed.

Fourthly, it identifies opportunities to reduce costs and increase efficiency by exploring new ways to deliver services, such as relocation and outsourcing, as well as tightening rules and procedures for procurement.

Fifthly, it proposes a drastic simplification of our budget and financial management processes.

Sixthly, it suggests ways of making the management and budget of the Organization more accessible to the Member States and enabling them to exercise more effective control.

And finally, it urges the creation of a small, dedicated office within the Secretariat to manage the process of change itself, in close liaison with a small but representative group of Member States.

Those proposed changes are mutually interdependent, as they also depend on the achievement of the highest ethical standards throughout the Secretariat — for which I have already taken measures, with Members' support — and on the reform of our systems of oversight and internal justice, which are the subject of separate reviews.

Failure to carry through reform in any one of those areas can greatly reduce or even nullify the value of reform in all the others. Therefore, I cannot too strongly urge Member States to view this process of change as a whole and to embark on it in full-hearted partnership with the management and staff of the Secretariat. Strong management can work only if it responds to strong governance, and successful reform depends on a strategic partnership — partnership based on mutual trust between you, the governors, on the one hand, and the managers — that is, myself and my colleagues — on the other.

I fully realize that this trust cannot be taken for granted. I know that many States feel excluded from any real say in the affairs of the Organization and seek to correct this by asserting their authority on matters of detail. But that has the effect of breaking down what should be the division of labour between me, as chief administrative officer, and the Assembly.

It is vital that we find a way to restore trust and partnership, based on a clear understanding of each other's roles. The role of a governing body is to provide strategic direction to the management, and then hold it accountable for the results. The role of management is to deliver those results effectively and transparently, so that it can be judged on its performance.

Thus, if change is to happen, we — the Secretariat — and you, the Member States, must work together to make it happe. The details remain to be worked out, and they must be worked out in full consultation, including consultation with the staff, to whom these changes will make the most immediate difference, and on whose continued loyalty and dedication their success will most directly depend.

Let me make one more thing clear. This reform is not a cost-cutting exercise, any more than it is a grab for power by the Secretariat, or a desperate attempt to placate one or two major contributors to the budget.

Yes, there are real savings to be made through these proposals, since over time they will reduce the cost of many of our activities by ensuring that they are carried out more simply and effectively.

But what the report shows, above all, is that for many years the Organization has been skimping on investment — investment in people, investment in systems, investment in information and communications technology — and that those deferred expenditures must now be made up for. I have called the report "Investing in the United Nations" because I believe Member States must be prepared to make a significant investment if the United Nations is to reach the level of effectiveness that they and their peoples are entitled to expect.

If they are prepared to do that, all Member States will find, as the reforms take effect, that they have at their command a better organized and more transparent United Nations which is easier for them to control and responds faster and more effectively to their directions.

Above all, they will have an Organization that gives better value to the hundreds of millions of people throughout the world who, by no fault of their own, find themselves in need of its services. I mean those threatened by poverty; by hunger, malnutrition and endemic or epidemic disease; by desertification and other forms of environmental degradation; by natural disasters; by civil conflict, anarchy, violence and transnational organized crime; by terrorism; by

oppression and misgovernment; by genocide, ethnic cleansing and other crimes against humanity.

It is those people who are the true stakeholders of an effective United Nations, effectively controlled by its Member States. Let us not fail them.

The President: I thank the Secretary-General for his statement and for his comprehensive briefing.

As we all know, our Organization is now facing great challenges and daunting tasks. It will clearly do so also in the future. More than ever, we need global solutions to global problems. That is why multilateralism and global cooperation are imperatives in the world of today.

In order for the United Nations to fulfil its crucial mandates relating to development, security and human rights, we need the right norms, the right structures and the right people to carry out the work. We also need accountability and trust between Member States and the Secretariat.

We need a strong United Nations that can meet global challenges with credibility and with the moral authority that is born of the confidence of Member States and the world at large. That is why the 2005 world summit devoted such an important part of its outcome document to Secretariat and management reform.

The Secretary-General has today outlined his vision to us. It is an important report at an important time. I thank him for his commitment to the Organization and for his enduring efforts to improve it. It is now for Member States to examine his proposals and take decisions on them.

In this intergovernmental process, the Fifth Committee and the Advisory Committee on Administrative and Budgetary Questions will have crucial roles to play. I appreciate the leadership of Ambassador Ashe of Antigua and Barbuda and of Chairman Saha in this process.

Ambassador Akram of Pakistan and Ambassador Rock of Canada are ably facilitating the follow-up and implementation of Secretariat and management reform issues of the 2005 World Summit Outcome. I am particularly grateful for the informal plenary consultations that they have held to prepare the ground for the Secretary-General's report and also for the forthcoming intergovernmental work to review mandates.

I would like to thank all Member States for their hard work and cooperation and look forward to continuing to work with them on these issues.

It is now time to carefully study and carefully consider the proposals of the Secretary-General. It is essential that we address these vital issues with trust, with transparency and a sense of common responsibility.

In the next few days, I intend to have consultations on the process for the consideration of the report. I will revert to members after those consultations.

Mr. Kumalo (South Africa): Allow me, on behalf of the Group of 77 and China, to welcome the Secretary-General to this meeting today. We thank him for his report and note that it is indeed unusual for the Secretary-General to address Member States before the formal introduction of his reports.

Like the Secretary-General, we agree and realize that this is a very important report that the summit requested the Secretary-General to present to Member States.

As we have so clearly stated in our letter referred to by the President of the General Assembly, we now expect that the entire report will be forwarded immediately to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) so that ACABQ can expeditiously start to consider the substance of the proposals before it is formally introduced to the Fifth Committee.

We acknowledge the critical role that ACABQ and the Fifth Committee have to play in this respect. This is the process that has always been followed on reports that contain administrative and budgetary policies and is also a process that is covered by the established practices, the rules of procedure and relevant resolutions of the General Assembly.

For the sake of a smooth process, and to save us time, we would expect that when the report is introduced to the Fifth Committee, it will be re-issued for technical reasons in order to include other relevant agenda items, such as 122, 124 and 129.

We remain anxious and ready, like many other Member States, to see this process of introducing

positive changes to strengthen our beloved Organization take place very soon. Once again, we want to reconfirm the commitment of the Group of 77 and China to reform of the United Nations in an intergovernmental process and according to the rules and procedures of the Organization.

Mr. Pfanzelter (Austria): On behalf of the European Union, I would like to thank the Secretary-General for the presentation of his very important report, "Investing in the United Nations: for a stronger Organization worldwide" (A/60/692). This report, as we all know, was mandated by our heads of State or Government at the 2005 world summit and will have an important impact on the future of our Organization. We are pleased to see that this review has been carried out not with a business-as-usual approach, but in the form of a comprehensive package that has the potential to improve the way in which the Organization works.

The European Union proposes that this report be treated in the same way as all other follow-up reports of the world summit, namely, within the framework of informal plenary meetings, assisted by the two co-chairs. Management reform should not be an exception. The European Union does not object to consideration of the report in the Advisory Committee on Administrative and Budgetary Questions and in the Fifth Committee. However, the plenary, as the addressee of the report, should have control over the process in order to assess progress and provide guidance to the expert level consideration if needed.

At this stage, members will understand, we are not yet in a position to discuss the substance of the report. We will need to study all proposals carefully, keeping in mind that change needs to be a gradual process. We look forward to a constructive discussion with all Member States in an atmosphere of trust and cooperation.

In order to determine the most appropriate course of action with regard to handling the report, we would like to request the scheduling of an informal plenary meeting under the guidance of the co-chairs for management reform.

Mr. Bolton (United States of America): We too welcome the report of the Secretary-General (A/60/692). We note that he has called for, in his words, "a radical overhaul of the entire Secretariat" and "a thorough strategic refit of the Secretariat" (*supra*). We endorse those objectives — those are our objectives — and there will be considerable hard work ahead to achieve them.

But, I must say, it was surprising to the United States to find that today — when we had been told previously that the only speaker here today would be the Secretary-General — that others had been invited to speak as well and that we had not been informed.

We believe that consideration of the Secretary-General's report in the first instance belongs to the plenary of the General Assembly, which will in turn make decisions as to how to allocate it among the relevant Committees of the General Assembly in accordance with the judgement of the Assembly. And we hope that this procedural difficulty at the outset — which might have been avoided with consultation — does not mark our work ahead. This work is too important to be caught up in procedural wrangles in this body.

The President: I have carefully noted the comments made today by Member States on the Secretary-General's report, particularly with regard to the important issue of the road ahead in dealing with the proposals made by the Secretary-General. I shall start my consultations today, beginning with a meeting with the Chairmen of the Fifth Committee and the Advisory Committee on Administrative and Budgetary Questions. I also want members to know that I always greatly value the role and the advice of my co-chairs for the plenary consultations on Secretariat and management reform. We attempted to deal with this issue before this meeting. The discussions were not finalized. I hope that the various delegations engaged in this process were informed; if that was not the case, I regret that.

Mr. Oshima (Japan): I would like to thank you, Mr. President, for convening this morning's plenary meeting and for your introductory remarks. I would also like to express our special appreciation to the Secretary-General for presenting to us a report on Secretariat and management reform (A/60/692), which was requested by our leaders in the outcome document (resolution 60/1) and which we have been awaiting. This is a very, very significant report.

Management reform is, of course, one of the most important and pressing issues related to the whole exercise of United Nations reform, in which all Members have an important stake: to ensure the effective, efficient, transparent and accountable

functioning of our Organization. My delegation therefore listened with a great deal of interest to the Secretary-General's presentation of his report. It will have to be studied carefully and with all due attention by my delegation here in New York and by the authorities in our capital.

We think that this is a bold report containing a number of important proposals and recommendations that aim to improve the work of the Organization, particularly of the Secretariat. We appreciate the strong commitment and will of the Secretary-General to lead the Organization in that direction. Some of the proposals mentioned — such as the rationalization of reporting requirements, the promotion of greater mobility and more effective utilization of resources — are objectives that we agree will have to be explored in order to find appropriate solutions.

While the specifics and technical details of these proposals will have to be referred to and discussed in the Fifth Committee and reported back to the Assembly, my delegation believes it is essential that policy discussion on key proposals and recommendations take place in plenary meetings at an appropriate time and in an appropriate form.

In that regard, we trust that the leadership of the President of the General Assembly, utilizing the informal consultation process on Secretariat and management reform — which has been ably co-chaired by Ambassador Akram of Pakistan and Ambassador Rock of Canada — will be fully exercised. My delegation therefore looks forward to the informal consultations that you, Mr. President, propose to undertake in the next few days to find the way forward.

The President: I think that we all agree that it is now time to carefully study and consider the proposals of the Secretary-General. As I said, it is essential that we address these issues with trust, with transparency and with a sense of common responsibility. As has been said, I intend to have consultations on the process for the consideration of the report, and I will, of course, revert to members after the consultations.

The meeting rose at 11.50 a.m.